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August 25, 1986

15039

REGISTRATION NO. Filed 1426

AUG 28 1986 8 28 AM

INTERSTATE COMMERCE COMMISSION

100 OFFICE OF
THE SECRETARY
AUG 28 9 48 AM '86
MOTOR OPERATING UNIT

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary:

We are attorneys for North American Car Corporation, debtor-in-possession for the estate of North American Car Corporation, and its subsidiaries listed herein. Pursuant to Section 11303 of Title 49 of the U.S. Code and the rules and regulations promulgated thereunder, enclosed for filing are certified copies of the documents described below, as well as one copy of each of such documents.

These documents are:

1. Order and Judgment Granting Motion to Sell Assets and to Assume and Assign Executory Contracts and Unexpired Leases to General Electric Credit Corporation and Approving Asset Purchase Agreement, dated March 27, 1986, of the United States Bankruptcy Court for the Central District of California in Case No. LA 84-23401-BR through LA 84-23417-BR ("Bankruptcy Court"); and

2. Order and Judgment Approving and Authorizing, Among Other Things, an Allocation and Distribution to Secured Creditors of Proceeds of the GECC Sale and Other Collateral, and Compromise and Settlement of Claims Against the MCTA Creditors, dated March 28, 1986, of the Bankruptcy Court.

The foregoing orders of the Bankruptcy Court authorized the sale by North American Car Corporation, as debtor-in-possession for the estate of North American Car Corporation and its subsidiaries, of substantially all of the assets of North American Car Corporation and its subsidiaries, including their entire railcar fleet, free and clear of any and all liens and encumbrances, to General Electric Credit Corporation or its designee.

The names and addresses of the principal parties to the orders of the Bankruptcy Court are as follows:

PEDERSEN & HOUP

Secretary
Interstate Commerce Commission
August 25, 1986
Page 2

Purchaser: General Electric Credit Corporation
P.O. Box 8300
Stamford, Connecticut 06904

Sellers: North American Car Corporation
33 West Monroe Street
Chicago, Illinois 60603

North American Car (Canada) Limited
33 West Monroe Street
Chicago, Illinois 60603

Texas Railway Car Corporation
Tiffin Road North
Ranger, Texas 76470

Surface Transportation International, Inc.
2220 State Line
Kansas City, Kansas 66105

S.T.I. of Wisconsin, Inc.
2220 State Line
Kansas City, Kansas 66105

S.T.I. of Kansas, Inc.
2220 State Line
Kansas City, Kansas 66105

P&R Railcar Service Corp.
33 West Monroe Street
Chicago, Illinois 60603

Parties consenting to the orders of the Bankruptcy Court included substantially all of the secured creditors and the unsecured creditors committee of North American Car Corporation and its subsidiaries, including General Electric Credit Corporation, the MCTA Creditors, the Equipment Trust Certificate Holders, Credit Suisse and the representatives of the Committee of Unsecured Creditors, all as designated in said orders.

Also enclosed herewith for filing is a certificate executed and attested to by officers of General Electric Credit Corporation and North American Car Corporation certifying that the sale of the

PEDERSEN & HOUP

Secretary
Interstate Commerce Commission
August 25, 1986
Page 3

entire railcar fleet of North American Car Corporation and its subsidiaries, as authorized by the Bankruptcy Court, did in fact take place and closed on July 3, 1986.

The equipment covered by the foregoing documents is each and every railcar owned by North American Car Corporation and its subsidiaries.

A check in the amount of \$530 payable to the order of the Interstate Commerce Commission is enclosed herewith to cover the filing fees.

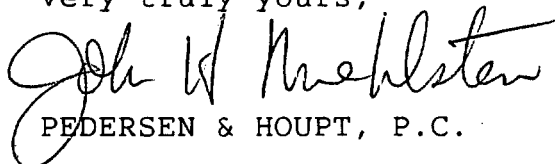
Please return the enclosed copy of the document to be filed, stamped as recorded, to the person delivering this letter.

Please cross-index this filing as a full and complete release against the name of North American Car Corporation and/or subsidiaries for each of the documents filed under the recordation numbers attached hereto as Exhibit A. While cross-indexing, please include a copy of the certificate appended hereto in each file cross-indexed for future referencing.

A short summary of the documents to appear in the index follows:

Bankruptcy court orders dated March 27, 1986 and March 28, 1986 issued by the United States Bankruptcy Court for the Central District of California ordering the sale by North American Car Corporation and its subsidiaries of all railcars owned by such corporations free and clear of any and all liens and encumbrances to General Electric Credit Corporation. These documents operate as a full and complete release of all security interests held by any and all parties pursuant to the documents filed with the Interstate Commerce Commission and filed under the recordation numbers attached hereto as Exhibit A.

Very truly yours,


PEDERSEN & HOUP, P.C.

Enclosures

0779K

RECORDATION NO. 15039 Filed 1425

AUG 28 1986 - 8 55 AM

CERTIFICATE

INTERSTATE COMMERCE COMMISSION

The undersigned, being duly appointed officers of General Electric Credit Corporation, a ^{NEW YORK}~~Delaware~~ corporation ("GECC"), and North American Car Corporation, a Delaware corporation ("NACC"), do hereby certify that the transactions contemplated by the Asset Purchase Agreement, dated the 14th day of February, 1986, as amended, entered into by and among GECC and NACC and certain of its subsidiaries and approved pursuant to orders of the United States Bankruptcy Court for the Central District of California in Case No. LA 84-23401-BR through LA 84-23417-BR authorizing such sale were consummated on July 3, 1986. Pursuant to the orders of the Bankruptcy Court, NACC and its subsidiaries sold each and every railcar owned by them to GECC free and clear of any and all claims, encumbrances, rights and security interests, including the security interests filed with the Interstate Commerce Commission under the recordation numbers listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the undersigned have caused this Certificate to be executed as of this 3rd day of July, 1986.

ATTEST:

By *William H. Holland*
ITS ASSISTANT SECRETARY

GENERAL ELECTRIC CREDIT CORPORATION,
a ~~Delaware~~ Corporation
^{NEW YORK}

By *[Signature]*
Its DESIGNATED REPRESENTATIVE

NORTH AMERICAN CAR CORPORATION, a
Delaware Corporation

ATTEST:

By *James P. Zucc*

By *Michael A. Zuck*
Its PRESIDENT

EXHIBIT A

ICC RECORDATION NUMBER

6554
6557
6843
7067
7068
7243
7529
7879
8245
8400
8740
9138
9305
9462
9718
10320
10561
10562
10835
10836
11434
11617
13282
13673
13674
13684
13689
13691
13698
13779
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14156

DUPLICATE

ORIGINAL

NACHMAN, MUNITZ & SWEIG, LTD.
115 South LaSalle Street, Suite 2580
Chicago, Illinois 60603
(312) 263-1480

FILED

MAR 28 1986

CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
DEBRY CLERK

Attorneys for Debtors and
Debtors in Possession

ENTERED

MAR 28 1986

REGISTRATION NO. 15039 Filed 1426

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
AUG 28 1986 - 8 55 AM
INTERSTATE COMMERCE COMMISSION

In re
NORTH AMERICAN CAR CORPORATION,
a Delaware corporation; TEXAS
RAILWAY CAR CORPORATION, a
Delaware corporation; TIGER
FINANCIAL SERVICES, INC., a
Delaware corporation; TIGER MARINE,
INC., a Delaware corporation;
SURFACE TRANSPORTATION
INTERNATIONAL, INC., a Missouri
corporation; SURFACE TRANSPORTATION
OF OHIO, INC., an Ohio corporation;
S.T.I. OF LOUISIANA, INC., a
Louisiana corporation; S.T.I. OF
SOUTH DAKOTA, INC., a South Dakota
corporation; S.T.I. OF WISCONSIN,
INC., a Wisconsin corporation;
S.T.I. SPECIAL SERVICES, INC., a
Missouri corporation; AIR AND
SURFACE TRANSPORTATION
INTERNATIONAL, INC., a Missouri
corporation; S.T.I.X. CAR LEASING
INCORPORATED, a Missouri
corporation; S.T.I. OF KANSAS,
a Kansas corporation, P&R RAIL CAR
SERVICE CORP., a Maryland
corporation; and NORTH AMERICAN
CAR (CANADA) LIMITED, an Ontario
corporation,

Debtors.

Case No. LA 84-23401-BR
through LA 84-23417-BR

Chapter 11
(Jointly Administered)

THIS DOCUMENT APPLIES TO
THE FOLLOWING CASES:

Case Nos.
LA 84-23401-BR;
LA 84-23402-BR;
LA 84-23405-BR;
LA 84-23408-BR;
LA 84-23411-BR through
LA 84-23415-BR;
LA 84-23417-BR.

ORDER AND JUDGMENT
GRANTING MOTION TO SELL
ASSETS AND TO ASSUME AND
ASSIGN EXECUTORY
CONTRACTS AND UNEXPIRED
LEASES TO GENERAL ELECTRIC
CREDIT CORPORATION AND
APPROVING ASSET PURCHASE
AGREEMENT

DATE: March 27, 1986
TIME: 2:00 p.m.
PLACE: Courtroom "A"

1167
JR

1 Based upon the Findings of Fact and Conclusions of Law
2 entered on the motion of North American Car Corporation, Texas
3 Railway Corporation, Tiger Financial Services, Inc., Surface
4 Transportation International, Inc., S.T.I. of Wisconsin, Inc.,
5 S.T.I. of Kansas, Inc., P & R Rail Car Service Corp., and North
6 American Car (Canada) Limited, as debtors in possession,
7 pursuant to Bankruptcy Code sections 363(b) and 365(f) for an
8 order authorizing the sale of assets and assumption and
9 assignment of executory contracts and unexpired leases to
10 General Electric Credit Corporation, dated February 14, 1986
11 (the "Motion"):¹

12 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS
13 FOLLOWS:

14 1. This Court has jurisdiction under 28 U.S.C.
15 Sections 1334 and 157(a). The Motion is a core proceeding under
16 28 U.S.C. Section 157(b).

17 2. Due and proper notice of the Motion has been
18 given and it is approved. The lodgment of this Order was appro-
19 priate and is approved; all further notice of lodgment is waived
20 for cause shown.

21 3. All objections other than the objections filed by
22 the MCTA Creditors, the ETC Committee, and the Official Committee
23 of Unsecured Creditors, are overruled. The Motion is granted.

24
25 ¹ Unless otherwise defined herein, all capitalized terms used
26 in this Order shall have the meanings ascribed to them in the
27 Findings of Fact and Conclusions of Law Regarding Debtors'
28 Motion Seeking Authority to Sell Assets and Assign Executory
Contracts and Unexpired Leases to General Electric Credit
Corporation.

1 4. The Agreement is approved. The Debtors' execu-
2 tion of the Agreement is ratified and approved. The Debtors are
3 hereby authorized and directed to execute any and all additional
4 agreements as contemplated by the Agreement, and to execute and
5 deliver such additional conveyances, assignments, agreements,
6 instruments, amendments, schedules and documents as may be
7 necessary to consummate the Agreement and effect the transaction
8 contemplated therein, including, without limitation, (a) the
9 Escrow Agreement by and between the Debtors, and each of them,
10 and GECC substantially in the form attached to the Agreement as
11 Exhibit "A" (the "Escrow Agreement"); (b) the Liability Agree-
12 ment by and between Debtors, and each of them, and GECC substan-
13 tially in the form attached to the Agreement as Exhibit "B" (the
14 "Liability Agreement"); (c) the Revolving Credit Agreement by
15 and between NACC and GECC substantially in the form attached to
16 the Agreement as Exhibit "C" (the "Revolving Credit Agreement"),
17 and the Promissory Note which is Exhibit 1 to Exhibit "C", as
18 amended; and (d) the Registration Agreement by and between NACC
19 and GECC substantially in the form attached to the Agreement as
20 Exhibit "D"; (e) the assistance agreement contemplated by
21 Section 10.3(c) of the Agreement; and (f) the GECC-TBT Railcar
22 Purchase Agreement.

23 5. The Debtors are authorized and directed to
24 execute and deliver all other documents and do all other things
25 and take all further actions as may be necessary or appropriate
26 to the performance of their obligations as contemplated by the
27 Agreement, including, but not limited to, executing additional
28 or supplemental agreements including, but not limited to, loan

1 agreements, promissory notes, amendments and schedules as may be
2 reasonably required to effect the transactions authorized hereby,
3 provided, however, that such additional or supplemental
4 agreements do not materially change the terms of the transaction
5 contemplated by the Agreement.

6 6. Effective at Closing,² all of the Debtors' right,
7 title and interest in and to the Purchased Assets including,
8 without limitation, those Purchased Assets owned by NACC and
9 located in Canada and/or the Purchased Assets owned by NAC-Can
10 (the "Canadian Assets"), shall be sold, conveyed, assigned,
11 transferred and delivered to GECC or its designee free and clear
12 of any and all liens, mortgages, pledges, security interests,
13 restrictions, prior assignments, liabilities, obligations,
14 encumbrances, charges and claims of any and every kind, nature
15 and description whatsoever, including without limitation claims
16 arising out of pending litigation, those granted and imposed by
17 prior orders of this Court, and those which arise from the
18 assessment of taxes as a result of or related to this sale,
19 other than Permitted Encumbrances, (hereinafter referred to
20 collectively as the "Liens" .

21 7. The transfer of the Canadian Assets may be
22 effected by any means appropriate for that purpose consistent
23 with the terms and conditions of the Agreement, and the
24 automatic stay of section 362(a) of the Bankruptcy Code is

26 ² Closing is used hereinafter to mean the consummation of the
27 transaction as contemplated by the Agreement as more fully
28 described in Article X of the Agreement.

1 hereby modified to the extent necessary to enable any Entity
2 accomplish such transfer. In the event any secured creditor
3 acquires title to any of the Canadian Assets, it shall convey
4 such title to GECC or its designees at Closing. To the extent
5 any payments are made by or on behalf of GECC to any secured
6 creditor in consideration of such conveyance, the Purchase Price
7 payable to NACC shall be reduced accordingly.

8 8. For each Purchased Asset consisting of or related
9 to leasehold interests in property owned by others, the convey-
10 ance, assignment, transfer and delivery thereof to GECC shall be
11 subject to all of the rights and interests of the owner of the
12 leased property other than rights not enforceable under sec-
13 tion 365 of the Bankruptcy Code and subject to any Lien or
14 Permitted Encumbrance which has been granted by such owner.

15 9. Upon Closing, each of the Debtors' creditors is
16 authorized and directed to execute such documents and take all
17 other action as may be necessary to release its liens, security
18 interests, claims or other encumbrances as may have been
19 recorded or may otherwise exist in the United States and Canada.

20 10. Upon the Closing, all Purchased Assets shall be
21 free and clear of all Liens. Upon Closing, all Liens, except
22 those of GECC, GERSCO and QSR, shall attach to all of the
23 proceeds of the transaction, including but not limited to, the
24 cash, the notes, and all rights of NACC and the Debtors under
25 the Agreement and related agreements (collectively, the
26 "Proceeds of Sale") and shall be deemed to be perfected without
27 further action; provided however, that any of the cash portion
28 of the Purchase Price deposited into the Escrow Account pursuant

1 to Section 3.2 of the Agreement shall be free and clear of all
2 Liens until such time as and when such monies are released from
3 the Escrow Account and distributed to NACC in accordance with
4 Article III of the Escrow Agreement.

5 11. In the event the Proceeds of Sale are not dis-
6 tributed upon Closing, NACC is authorized and directed to hold
7 the portion of the Purchase Price which is not subject to the
8 terms and provisions of the Escrow Agreement, in trust subject
9 to further order of this Court, and shall deposit the cash
10 portion of such portion of the Purchase Price and such interest
11 as may be earned thereon in a segregated account at The First
12 National Bank of Chicago, and invest such funds in 90-day
13 interest-bearing obligations of the United States of America,
14 and shall distribute such funds only upon further order of this
15 Court.

16 12. All the Liens which transfer to the Proceeds of
17 Sale are and shall be of the same validity, force, status,
18 extent and effect and subject to the same rights of avoidance or
19 other challenge, as the Liens of such parties in the Purchased
20 Assets prior to the Closing. Except as otherwise provided in
21 the Agreement, all rights of the Debtors or any party in
22 interest to seek avoidance of or challenge the validity, force,
23 status, extent, and effect of Liens are hereby expressly
24 reserved.

25 13. From and after entry of this Order, the Debtors,
26 creditors, and each of them, shall not take or cause to be taken
27 any action in the United States or Canada which would interfere
28

1 with the transfer of the Purchased Assets to GECC or its
2 designees in accordance with the terms of this Order.

3 14. Subject to paragraph 10, this Order (a) is and
4 shall be effective as a determination that, upon Closing, all
5 Liens existing as to the Purchased Assets prior to Closing have
6 been unconditionally released, discharged and terminated, and
7 that the conveyances described in decretal paragraphs 6 and 7
8 hereof have been effected, and (b) is and shall be binding upon
9 and govern the acts of all Entities, including without
10 limitation, all filing agents, filing officers, title agents,
11 title companies, recorders of mortgages, recorders of deeds,
12 registrars of deeds, administrative agencies, governmental
13 departments, secretaries of state, Federal, state, and local
14 officials, and all other persons and entities who may be
15 required by operation of law, the duties of their office, or
16 contract, to accept, file, register or otherwise record or
17 release any documents or instruments, or who may be required to
18 report or insure any title or state of title in or to any of the
19 Purchased Assets.

20 15. All Entities, who are presently, or at Closing
21 may be, in possession of some or all of the Purchased Assets or
22 any other items of Debtors' property are hereby directed to
23 surrender possession of said assets to GECC or its designees at
24 Closing.

25 16. At Closing, that certain FNBC-GERSCO Inter-
26 creditor Agreement dated as of December 5, 1983, by and among
27 NACC, The First National Bank of Chicago, as Collateral Agent
28 for the MCTA Creditors, GECC, GERSCO and QSR, be, and hereby is,

1 terminated. From and after the Closing, any and all Lease
2 Payments, NACC Repair Receivables, and all other funds received
3 with respect to the Purchased Assets by any Entity for the
4 account of NACC or any of its Subsidiaries, as defined therein,
5 which are attributable to the period subsequent to the Effective
6 Date, shall be directly remitted to GECC or its designees.

7 17. From and after the Closing, GECC or its designees
8 shall have the right and authority, subject to the terms of the
9 Agreement, to collect for the account of GECC or its designees
10 any sums which shall be due and payable on account of any of the
11 Purchased Assets transferred or intended to be transferred to
12 GECC or its designees at Closing and to endorse with the name of
13 any of the Debtors any checks or drafts relating to the
14 Purchased Assets which may be payable to the order of Debtors;
15 provided, however that the disposition of any such sums and any
16 such checks shall be in accordance with the terms of the
17 Agreement.

18 18. As of Closing, all agreements of any kind whatso-
19 ever and all orders of this Court entered in these cases prior
20 to the date hereto shall be deemed amended and/or vacated to the
21 extent required to permit the consummation of the transactions
22 under the Agreement; to the extent such other agreements or
23 orders are inconsistent with this Order or the Agreement, this
24 Order and the Agreement shall in all such cases govern.

25 19. Except as otherwise provided by further order of
26 this Court, this Court shall retain jurisdiction over the
27 Proceeds of Sale including, but not limited to, the cash portion
28 of the Purchase Price deposited into the Escrow Account pursuant

1 to Section 3.2 of the Agreement, to determine any dispute or
2 controversies arising in connection therewith or relating
3 thereto, including without limitation, the determination of the
4 amount, validity, enforceability and priority of claims with
5 respect to the Proceeds of Sale. This Court shall also retain
6 jurisdiction to resolve any dispute relating to the
7 interpretation of the terms and conditions of the Agreement and
8 this Order.

9 20. None of GECC, its designees or any secured
10 creditor shall be liable for any transferee tax liability that
11 arises or may arise by operation of law from the conveyances
12 effected or authorized hereby. The Debtors may, at a time and
13 in a manner satisfactory to GECC in its sole discretion, execute
14 and deliver whatever lawful agreements are reasonably necessary
15 and make whatever lawful arrangements are reasonably required to
16 assure the transfer of the Purchased Assets free and clear of
17 any claims by any governmental unit or Canadian taxing authority
18 for taxes incurred as a consequence of the sale of any Purchased
19 Assets under the terms of the Agreement or to relieve GECC, its
20 designees or any secured creditor of any claim for transferee
21 liability with respect to such taxes; provided however, cash
22 collateral may not be used for these purposes except upon
23 Closing, consent of any secured creditors claiming an interest
24 in such cash collateral, or further order of this Court.

25 21. Pursuant to Section 365(f) of the Bankruptcy
26 Code, conditioned upon the closing of the transactions contem-
27 plated by the Agreement, the Assumed Liabilities shall be
28 assumed by the Debtors and assigned to GECC, without the

1 execution of any further documents or instruments. GECC or its
2 designees shall cure all defaults as to the Assumed Liabilities
3 within thirty days after Closing, and this Court shall retain
4 jurisdiction to hear and determine any and all disputes in
5 connection therewith. Upon Closing, the Debtors shall have no
6 further obligations for the Assumed Liabilities pursuant to
7 section 365(k) of the Bankruptcy Code.

8 22. Effective at Closing, GECC's Claim and any claim
9 to interest, fees or costs included therein, shall and hereby
10 are deemed paid and satisfied in full, and at that time GECC
11 shall return the promissory notes evidencing GECC's Claim to
12 NACC and NAC-Can, marked "Paid in Full."

13 23. Upon Closing, the Management Agreements, the
14 Purchase and Loan Agreement, the Ancillary Agreements and all
15 railcar leases between GECC, its affiliates, trustees, or agents
16 acting on its or their behalf, as lessor, and NACC, as lessee,
17 other than those pursuant to which GECC leases the GECC-TBT
18 Railcars to NACC, shall be terminated without further liability
19 of NACC to GECC or any of its affiliates or to GECC's designee
20 (except as expressly provided in the Agreement), without further
21 liability of GECC or any of its affiliates to NACC and without
22 further execution and delivery of any agreements, amendments,
23 waivers or releases.

24 24. From and after the Closing, the Debtors and any
25 of their respective subsidiaries are prohibited from commencing
26 or maintaining any action or legal proceeding against GECC, any
27 of its affiliates or any of its officers, employees or agents of
28 GECC or any of its affiliates for any claims or liabilities

1 existing as of the date of this Order or hereafter arising,
2 including without limitation any claims or liabilities which
3 arise under or relate to the Management Agreements, the Purchase
4 and Loan Agreement, the Ancillary Agreements, or any railcar
5 leases between GECC and its affiliates, trustees or agents
6 acting on their behalf, and NACC and its affiliates, except any
7 claims or liabilities arising under or permitted by the Agree-
8 ment or this Order.

9 25. Upon Closing, NACC and each of the Debtors shall,
10 except as expressly provided in the Agreement, be released,
11 without execution of any further documents or instruments, from
12 any and all claims which GECC, GERSCO, QSR and General Electric
13 Railcar Services Canada, Ltd. may have against each of the
14 Debtors and all of their respective affiliates and officers,
15 employees or agents, including without limitation: (a) any
16 claims arising from the rejection or termination of the
17 Management Agreements, the Purchase and Loan Agreement, the
18 Ancillary Agreements or any railcar leases between GECC and its
19 affiliates, or trustees or agents acting on its or their behalf,
20 and NACC and its affiliates; (b) any claims for sales
21 commissions or diminution in the Purchase Price which might
22 otherwise be asserted under the Management Agreements; and
23 (c) any claims arising from the rejection or termination by the
24 Debtors of their interest in the lease at 33 West Monroe Street
25 or any sublease of the space leased thereunder or any breach
26 thereunder. This release shall not affect or release any claims
27 which any insurer of any entity executing such release may have
28 against the entity being released as subrogee of the releasing

1 entity or otherwise preclude such insurer from asserting each
2 such claim against the released Entity.

3 26. In the event that the sale authorized by this
4 Order is not consummated for any reason other than a default by
5 any of the Debtors and one or more sales of all or substantially
6 all of the Purchased Assets to any other Entity or Entities is
7 consummated, NACC be, and hereby is, authorized to (a) pay GECC
8 \$10 million in accordance with the payment and review procedures
9 in effect under the Settlement Orders; and (b) pay GERSCO and
10 QSR all management fees incurred pending the closing of the sale
11 to another purchaser and reimburse GERSCO and QSR for all
12 expenses relating to the Purchased Assets in accordance with the
13 Settlement Orders. The Management Agreements and the Purchase
14 and Loan Agreement shall be terminated as of the date of the
15 sale to another purchaser. Upon payment of the amounts set
16 forth in Section 4.5 of the Agreement (a) GERSCO and QSR shall
17 waive all claims arising from the termination or rejection of
18 the Management Agreements, including without limitation, claims
19 for sales commissions arising thereunder; (b) GECC shall waive
20 all claims arising from the termination or rejection of the
21 Purchase and Loan Agreement other than the Deficiency Claim;
22 (c) GECC shall for a reasonable period not to exceed six (6)
23 months after the Closing of the sale to another purchaser,
24 perform the following services to the extent reasonably neces-
25 sary to facilitate the transfer of the Purchased Assets to
26 another purchaser: (i) manage the Reporting Marks and deliver
27 all monies, communications, and advices normally paid and
28 delivered to the holders of the Reporting Marks and (ii) transfer

1 pertinent records, files and data bases relating to the Purchased
2 Assets including without limitation records relating to mechan-
3 ical maintenance, repairs performed by the American Association
4 of Railroads, mileage compensation, customer leases and con-
5 tracts, and suppliers; and (d) transfer the Reporting Marks;
6 provided, however, that nothing contained herein, including the
7 payment of monies pursuant to this decretal paragraph, shall
8 limit or constitute a waiver by GECC of any of its rights or
9 remedies under the Agreement, including, without limitation, its
10 right to specifically enforce the terms and provisions of the
11 Agreement.

12 27. Notwithstanding anything to the contrary set
13 forth in the Agreement, the indemnification provided for in
14 Section 11.1(b) of the Agreement shall be the sole remedy, claim
15 or cause of action which GECC and its designee shall have
16 against any of the Debtors with respect to any failure of any
17 representation or warranty of the Debtors contained therein to
18 be true, correct, and complete in any material respect.

19 28. All of the obligations of each of the Debtors to
20 indemnify and hold GECC harmless under the Agreement are subject
21 and subordinate to the satisfaction and payment in full of all
22 perfected, valid and subsisting secured claims against each of
23 the respective Debtors and all claims against each of the
24 respective Debtors entitled to priority under Section 507 of the
25 Bankruptcy Code; provided, however, that all such indemnifica-
26 tion obligations shall be and remain senior and prior to all
27 other general unsecured claims against any of the Debtors.
28

1 29. Neither GECC nor its designee shall take any
2 action or fail to take any action which may adversely affect the
3 rights and interests of owners of the TBT Railcars required by
4 contract to be treated as being owned by another Entity ("TBT
5 Agreements"), other than GECC or any of its affiliates, pursuant
6 to the provisions of Section 168(f)(8) of the Internal Revenue
7 Code of 1954, as in effect in 1981.

8 30. The Debtors are hereby authorized to sell the
9 GECC-TBT Railcars subject to the tax benefit agreements with
10 GECC (the "GECC-TBT Agreements") pursuant to and in accordance
11 with the GECC-TBT Railcar Purchase Agreement. The purchaser of
12 the GECC-TBT Railcars, who will be the assignee of the GECC-TBT
13 Agreements, by its purchase of the GECC-TBT Railcars and accept-
14 ance of the assignment of the GECC-TBT Agreements shall be
15 deemed to acknowledge and agree that (a) its interest in the
16 GECC-TBT Railcars shall be subject to third parties' interests
17 therein, and (b) in assuming the Debtors' obligations under the
18 GECC-TBT Agreements, the purchaser of the GECC-TBT Railcars
19 shall not claim tax benefits inconsistent with or contrary to
20 the benefits accorded to the transferees thereunder.

21 31. Neither the sale to GECC or its designees, nor
22 the sale pursuant to the preceding decretal paragraph shall be,
23 or is intended to constitute, a "disqualifying event" within the
24 meaning of Internal Revenue Code Section 168(f)(8) and
25 regulations promulgated thereunder, including without
26 limitation, Section 5c.168(f)(8)-2 with respect to the treatment
27 of the TBT Agreements. GECC's purchase of the TBT Railcars and
28 acceptance of the assignment of the TBT Agreements shall be

1 deemed an acknowledgement and agreement that (a) its interests
2 in the TBT Railcars shall be subject to the tax lessors'
3 interests therein, and (b) in assuming Debtors' obligations
4 under the TBT Agreements, neither GECC nor its designee shall
5 claim tax benefits inconsistent with or contrary to the benefits
6 accorded by the transferees thereunder.

7 32. The Debtors' tax lessors under the respective TBT
8 Agreements as listed on the Schedule of Assumed Liabilities to
9 the Agreement, as well as the GECC-TBT Agreements shall be
10 directed to execute and file such documents and notices with
11 this Court and take all other action as may be necessary to
12 comply with Section 168(f)(8) of the Internal Revenue Code, as
13 amended, and applicable treasury regulations. Any Entity which
14 asserts a security interest in the respective TBT Agreements,
15 the GECC-TBT Agreements, the TBT Railcars or the GECC-TBT
16 Railcars shall be directed to execute such documents and take
17 all action including, without limitation, the release of any
18 liens, security interests, claims, or other encumbrances with
19 regard to the railcars subject to the respective TBT Agreements
20 or GECC-TBT Agreements, and such action as may be necessary to
21 inform the Internal Revenue Service of such releases.

22 33. Notwithstanding the obligations of the Debtors'
23 creditors who assert security interests in the respective TBT
24 Agreements, GECC-TBT Agreements, the TBT Railcars, or the
25 GECC-TBT Railcars, the release of any liens, security interests,
26 claims, or other encumbrances with regard to the TBT Railcars or
27 the GECC-TBT Railcars shall be effected by this Order and shall
28 be effective without further action or execution. Notwithstand-

1 ing anything to the contrary, the release of the federal income
2 tax ownership of the TBT Railcars or GECC-TBT Railcars by the
3 Entities referred to in the preceding sentence shall be effec-
4 tive immediately prior to the closing without further action or
5 execution.

6 34. In addition to those agreements authorized by
7 decretal paragraph 5 hereof, the Debtors are, and each of them
8 is, authorized to incur additional indebtedness (the "Loan") to
9 GECC in accordance with the terms of the Revolving Credit
10 Agreement which indebtedness shall be secured by the liens,
11 security interests and priority administrative expense claims
12 described immediately below, which shall be prior in right to
13 all other liens, security interests or priority administrative
14 expense claims heretofore granted by any other order of this
15 Court or hereafter granted to GERSCO or QSR; provided, however,
16 that the liens, security interests and priority administrative
17 expense claims granted pursuant to this Order shall be pari
18 passu with the liens, security interests and priority adminis-
19 trative expense claims granted to the MCTA Creditors and the ETC
20 Holders pursuant to the Order Authorizing Use of Cash Collateral
21 Through November 24, 1985, Payment of Professional Fees and
22 Disbursement of an Additional Twenty Percent of Surplus Reve-
23 nues, dated January 14, 1986. The indebtedness under the Loan
24 shall be secured by the liens, security interests and priority
25 administrative expense claims as follows: (a) pursuant to
26 Section 364(c)(1) of the Bankruptcy Code, an administrative
27 expense claim having priority over any and all administrative
28 expenses of the kind specified in Section 503(b) and 507(b) of

1 the Bankruptcy Code; (b) pursuant to Section 364(c)(2) of the
2 Bankruptcy Code, a lien on property of the Debtors' estates not
3 otherwise subject to a lien on January 14, 1986; (c) pursuant to
4 Section 364(c)(3) of the Bankruptcy Code, a lien on any property
5 of the Debtors' estates that was subject to a lien on
6 January 14, 1986, subject and subordinate only to such existing
7 lien; and (d) all benefits of the Debtors' rights under
8 Section 506(c) of the Bankruptcy Code, to charge the collateral
9 of the secured creditors for the professional fees and operating
10 expenses which will be paid from the amounts drawn down under
11 the loan.

12 35. The liens and security interests granted to GECC
13 pursuant to the preceding decretal paragraph shall be deemed to
14 be perfected without any further action.

15 36. The Debtors and GECC have waived their respective
16 rights to terminate the Agreement under Sections 10.1(c) and
17 10.1(d) thereof.

18 37. Any knowledge of GECC and/or any of its affili-
19 ates, as an agent of NACC under the Management Agreements, shall
20 not be imputed to the Debtors.

21 38. The Agreement and this Order shall be binding
22 upon and shall inure to the benefit of the parties thereto and
23 their respective successors and assigns, including, without
24 limitation, any trustee who may be elected or appointed in the
25 Debtors' chapter 11 cases or any subsequent chapter 7 cases.

26 39. The date, time and place of hearing (the "Hear-
27 ing") on any such application as the Debtors may file on or
28 before April 7, 1986 for approval of allocation and distribution

1 of the Proceeds of Sale and certain other assets of these
2 estates (the "Allocation Application") be, and it hereby is,
3 fixed as April 28, 1986, at 3:00 p.m., or as soon thereafter as
4 counsel may be heard, in Courtroom "A," 8th Floor, United States
5 Courthouse, 312 North Spring Street, Los Angeles, California
6 90012.

7 40. Pursuant to Bankruptcy Rule 2002(k) and (l) and
8 Local Rule 2002(g) and (h), notice of the Hearing shall be given
9 as follows:

10 (1) To all counsel and parties of record, the
11 MCTA Creditors, the trustees for the Equipment Trust
12 Certificate Holders, the Equipment Trust Certificate
13 Holders, Credit Suisse, GECC, the members of the
14 Unsecured Creditors' Committee, the United States
15 Trustee, by mailing a copy of the Allocation Applica-
16 tion by first class mail on or before April 7, 1986,
17 and

18 (2) To all creditors, by mailing a copy of a
19 notice of the Allocation Application (the "Notice") by
20 first class mail on or before April 7, 1986, and

21 (3) To other interested parties by publication
22 of the Notice in The Wall Street Journal (National
23 Edition), such Notice to be published not less than
24 ten (10) days prior to the Hearing;

25 41. Objections to the Allocation Application, if any,
26 shall be made in writing and shall be served upon (i) Nachman,
27 Munitz & Sweig, Ltd., Attorneys for the Debtors, 115 South
28 LaSalle Street, Suite 2580, Chicago, Illinois 60603, Attn:

1 Lewis S. Rosenbloom, Esq.; (ii) Weil, Gotshal & Manges, Attor-
2 neys for General Electric Credit Corporation, 767 Fifth Avenue,
3 New York, New York 10153, Attn: Bruce R. Zirinsky, Esq.; (iii)
4 Wachtell, Lipton, Rosen & Katz, Attorneys for the Official
5 Committee of Equipment Trust Certificate Holders, 299 Park
6 Avenue, New York, New York 10171, Attn: Chaim J. Fortgang, Esq.;
7 (iv) Sidley & Austin, Attorneys for the MCTA Creditors,
8 2049 Century Park East, Suite 3500, Los Angeles, California
9 90067, Attn: Sally S. Neely, Esq.; (v) Frandzel & Share,
10 Attorneys for Credit Suisse, 8383 Wilshire Boulevard, Suite 400,
11 Beverly Hills, California 90211, Attn: Stanley Silberman, Esq.;
12 (vi) Murphy, Weir & Butler, Attorneys for the Unsecured
13 Creditors' Committee, 1010 California Street, 39th Floor, San
14 Francisco, California 94111, Attn: Thomas Given, Esq. and
15 (vii) Office of the United States Trustee, 300 N. Los Angeles
16 Street, Room 3101, Los Angeles, California 90012, and filed with
17 the Court on or before April 18, 1986; and

18 42. Replies, if any, shall be in writing and shall be
19 served upon the objector in the manner prescribed and upon the
20 entities listed herein for objections and filed with this Court,
21 together with proof of service thereof, on or before April 23,
22 1986.

23 43. In the event that (a) the Debtors fail to file
24 on or before April 7, 1986, a motion seeking approval of an
25 agreed upon allocation and distribution of the Proceeds of Sale
26 and certain other assets of the Debtors' estates; or (b) this
27 Court does not grant said motion by an order entered on or
28 before April 28, 1986; or (c) such order does not become final

1 without any appeal having been taken therefrom within the time
2 allowed for appeal, then upon written notice filed with this
3 Court on or before May 12, 1986 at the election of and by any of
4 the MCTA Creditors, the ETC Committee or Credit Suisse, this
5 Order, as well as the Findings of Fact and Conclusions of Law
6 entered in connection herewith, shall be vacated and be of no
7 force and effect, and all actions taken in reliance upon this
8 Order shall be of no force and effect. If this Order is vacated,
9 any of the foregoing parties and any Equipment Trust Certificate
10 Holder may raise any issue or objection with respect to the
11 Motion or sale of the Purchased Assets.

12 44. In the event that this Order is vacated, the
13 Motion, each objection of the MCTA Creditors, the ETC Committee,
14 and the Official Committee of Unsecured Creditors filed with
15 respect thereto, and all replies shall be reinstated without any
16 further action or notice by the Debtors, respective objectors or
17 respondents.

18 45. Nothing contained herein, and no action contem-
19 plated hereby, shall create, affect or impair any liens, rights
20 or claims of any creditor, except with respect to the Purchased
21 Assets or the Proceeds of Sale.

1 46. This Order is a final order and the time to file
2 a notice of appeal therefrom shall commence from the date of
3 entry hereof.

4
5 DATED: Los Angeles, California
6 March 28, 1986

Barry Russell
BARRY RUSSELL

Barry Russell
United States Bankruptcy Judge

10
11 I hereby attest and certify on 7/18/86
12 that the foregoing document is a full, true and correct
13 copy of the original on file in my office, and in my
14 legal custody.

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28
CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

By *[Signature]*

Deputy



1 Agreed and Consented to by:

2 NACHMAN, MUNITZ & SWEIG, L.P.
3 Attorneys for Debtors and
4 Debtors In Possession

5 *Armin Rosen*
A Member of the Firm

6 WEIL, GOTSHAL & MANGES
7 Attorneys for General Electric
8 Credit Corporation

9 *[Signature]*
A Member of the Firm

10 SIDLEY & AUSTIN
11 Attorneys for the MCTA Creditors

12 *Paul J. May*
A Member of the Firm

13 WACHTELL, LIPTON, ROSEN & KATZ
14 Attorneys for the Official Committee
15 of Equipment Trust Certificate Holders

16 *[Signature]*
A Member of the Firm

17 FRANDZEL & SHARE
18 Attorneys for Credit Suisse

19 *[Signature]*
A Member of the Firm

20 MURPHY, WEIR & BUTLER
21 Attorneys for the Committee of
22 Unsecured Creditors

23 *Thomas C. Given*
24 A Member of the Firm

25 I hereby attest and certify on 3-21-96
26 that the foregoing document is a full, true and correct
27 copy of the original on file in my office, and in my
28 legal custody

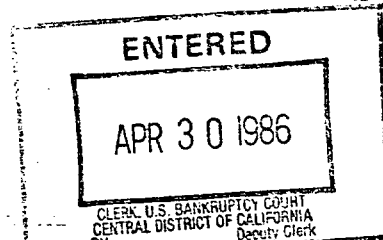
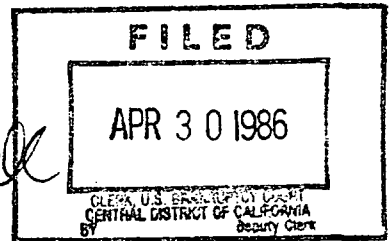
SSN286D

CLERK U.S. BANKRUPTCY COURT
James B. Contell



1 NACHMAN, MUNITZ & SWEIG, LTD.
2 115 South LaSalle Street, Suite 2580
3 Chicago, Illinois 60603
4 (312) 263-1480

5 Attorneys for Debtors and
6 Debtors in Possession



15039

8 UNITED STATES BANKRUPTCY COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10
11 In re) Case No.
12 NORTH AMERICAN CAR CORPORATION,) LA 84-23401-BR;
13 a Delaware corporation; TEXAS) LA 84-23402-BR;
14 RAILWAY CAR CORPORATION, a) LA 84-23405-BR through
15 Delaware corporation; TIGER) LA 84-23417-BR.
16 FINANCIAL SERVICES, INC., a)
17 Delaware corporation; TIGER MARINE,) Chapter 11
18 INC., a Delaware corporation;) (Jointly Administered)
19 SURFACE TRANSPORTATION)
20 INTERNATIONAL, INC., a Missouri) THIS DOCUMENT APPLIES
21 corporation; SURFACE TRANSPORTATION) TO ALL CASES.
22 OF OHIO, INC., an Ohio corporation;)
23 S.T.I. OF LOUISIANA, INC., a) ORDER AND JUDGMENT
24 Louisiana corporation; S.T.I. OF) APPROVING AND AUTHORIZING,
25 SOUTH DAKOTA, INC., a South Dakota) AMONG OTHER THINGS, AN
26 corporation; S.T.I. OF WISCONSIN,) ALLOCATION AND DISTRIBUTION
27 INC., a Wisconsin corporation;) TO SECURED CREDITORS
28 S.T.I. SPECIAL SERVICES, INC., a) OF PROCEEDS OF THE GECC
SALE AND OTHER COLLATERAL,
MISSOURI corporation; AIR AND) AND COMPROMISE AND
SETTLEMENT OF CLAIMS
SURFACE TRANSPORTATION) AGAINST THE MCTA
INTERNATIONAL, INC., a Missouri) CREDITORS
corporation; S.T.I.X. CAR LEASING)
INCORPORATED, a Missouri)
corporation; S.T.I. OF KANSAS,)
a Kansas corporation, P&R RAIL CAR)
SERVICE CORP., a Maryland)
corporation, and NORTH AMERICAN)
CAR (CANADA) LIMITED, an Ontario)
corporation,)
Debtors.)

DATE: April 28, 1986
TIME: 3:00 p.m.
PLACE: Courtroom "A"

SSN286P

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1 Based upon the Findings of Fact and Conclusions of Law
2 entered by this Court on the Joint Motion of North American Car
3 Corporation ("NACC") and each of its above-captioned affiliated
4 debtors, as debtors in possession (collectively the "Debtors"),
5 and the Official Committee of Unsecured Creditors (the
6 "Committee") Seeking Entry of an Order Approving (1) Amendments
7 to Asset Purchase Agreement; (2) Allocation and Distribution to
8 Secured Creditors of the Proceeds of the GECC Sale and Other
9 Collateral; (3) Compromise and Settlement of Claims against the
10 MCTA Creditors; and (4) Arrangements Related to the Transfer of
11 Canadian Assets, dated April 7, 1986, as supplemented by the
12 Debtors on April 17, 1986 (the "Motion");¹ and the Court being
13 fully advised in the premises;

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

15 1. This court has jurisdiction under 28 U.S.C.
16 sections 1334 and 157(a).

17 2. The Motion is a core proceeding under 28 U.S.C.
18 section 157(b).

19 3. The form and manner in which notice of the Motion
20 has been given is approved. The manner in which the form of
21 this Order was lodged is approved; any and all further notice of
22 lodgment is excused and waived for cause shown.

23 4. Except as provided in this Order, all responses
24 and objections are overruled; and the Motion is granted in its
25

26
27 ¹ Unless otherwise defined herein, all capitalized terms used
28 in this Order shall have the meanings ascribed to them in the
Findings of Fact and Conclusions of Law regarding the Motion. The
term "GECC" as used herein shall include any entities designated
by GECC pursuant to the Agreement and shall also include
Electric Railways Services Corporation, Quality

1 entirety.

2 5. The Debtors' and the Committee's compromise and
3 settlement of their respective rights and claims against the
4 MCTA Creditors as set forth in the Findings of Fact and
5 Conclusions of Law (the "Compromise and Settlement") is hereby
6 approved.

7 6. The Secured Creditors' Distributions are hereby
8 approved. The Debtors and/or GECC are hereby authorized and
9 directed to make the Secured Creditors' Distributions and
10 payments in the manner, at the time, and in the amounts as
11 follows:²

12 (a) Upon closing of the GECC Sale (the
13 "Closing"), the Debtors and/or GECC shall pay to Credit Suisse
14 \$8.7 million in cash. In addition thereto, Credit Suisse shall
15 retain (i) all amounts paid or distributed to it through
16 March 31, 1986, under prior orders of this Court authorizing the
17 payment of "Surplus Revenues" through December 31, 1985, total-
18 ing \$747,000; and (ii) its beneficial ownership interests in the
19 Endasa Notes and/or the Endasa Escrow Agreement in the original
20 face amount of approximately \$206,000, which interests have been
21 previously allocated to it, plus all cash payments related
22 thereto (the "Credit Suisse Distribution").

23
24
25 ² The terms "MCTA Creditors" and "Secured Creditors" as used
26 herein to include the MCTA Creditors shall refer to such
27 entities only in their individual and collective capacities
28 as collateral agent or as creditors under the MCTA. The terms
"ETC Holders" and "Secured Creditors" as used herein to include
the ETC Holders shall refer to such entities only in their
capacities as ETC Holders.

1 entirety.

2 5. The Debtors' and the Committee's compromise and
3 settlement of their respective rights and claims against the
4 MCTA Creditors as set forth in the Findings of Fact and
5 Conclusions of Law (the "Compromise and Settlement") is hereby
6 approved.

7 6. The Secured Creditors' Distributions are hereby
8 approved. The Debtors and/or GECC are hereby authorized and
9 directed to make the Secured Creditors' Distributions and
10 payments in the manner, at the time, and in the amounts as
11 follows:²

12 (a) Upon closing of the GECC Sale (the
13 "Closing"), the Debtors and/or GECC shall pay to Credit Suisse
14 \$8.7 million in cash. In addition thereto, Credit Suisse shall
15 retain (i) all amounts paid or distributed to it through
16 March 31, 1986, under prior orders of this Court authorizing the
17 payment of "Surplus Revenues" through December 31, 1985, total-
18 ing \$747,000; and (ii) its beneficial ownership interests in the
19 Endasa Notes and/or the Endasa Escrow Agreement in the original
20 face amount of approximately \$206,000, which interests have been
21 previously allocated to it, plus all cash payments related
22 thereto (the "Credit Suisse Distribution").

23
24
25 ² The terms "MCTA Creditors" and "Secured Creditors" as used
26 herein to include the MCTA Creditors shall refer to such
27 entities only in their individual and collective capacities
28 as collateral agent or as creditors under the MCTA. The terms
"ETC Holders" and "Secured Creditors" as used herein to include
the ETC Holders shall refer to such entities only in their
capacities as ETC Holders.

1 (b) Upon Closing, the Debtors and/or GECC shall
2 pay the cash sums and distribute the GECC promissory notes to
3 the trustees for each equipment trust issue in the amounts and
4 on the basis set forth in the "ETC Payment Schedule," annexed
5 hereto as Exhibit "A." In addition, the ETC Holders shall
6 retain (i) all amounts paid or distributed to them through
7 March 31, 1986, under prior orders of this Court authorizing the
8 payment of "Surplus Revenues" through December 31, 1985, total-
9 ing \$26,327,000; and (ii) all cash payments related to their
10 beneficial ownership interests in the Endasa Notes and/or the
11 Endasa Escrow Agreement in the original face amount of approxi-
12 mately \$2,900,000, which have been previously allocated and paid
13 to them; provided, however, that, upon Closing, the ETC Holders
14 shall release and/or assign to the Debtors their beneficial
15 ownership interests in the Endasa Notes (the "ETC
16 Distribution").

17 (c) Upon Closing, in accordance with the terms
18 of the Agreement, the Railcars securing the GECC Claim shall be
19 transferred to GECC or its designee. In addition thereto, GECC
20 shall retain (i) all amounts paid or distributed to it through
21 March 31, 1986, under prior orders of this Court authorizing the
22 payment of "Surplus Revenues" through December 31, 1985,
23 totaling \$4,495,000; and (ii) its beneficial ownership interests
24 in the Endasa Notes and/or the Endasa Escrow Agreement in the
25 original face amount of approximately \$1,400,000, which
26 interests have been previously allocated to it, plus all cash
27 payments related thereto (the "GECC Distribution").
28

(d) Upon Closing, the Debtors and/or GECC shall pay to the MCTA Creditors \$112.7 million in cash.³ In addition thereto, the MCTA Creditors shall retain (i) all amounts paid or distributed to them through March 31, 1986, under all prior orders of this Court including, but not limited to, those authorizing the payment of "Surplus Revenues" through December 31, 1985, and the provisional payment of the proceeds of their collateral previously sold by the Debtors, totaling \$20,021,000; (ii) beneficial ownership interests in the Endasa Notes and/or the Endasa Escrow Agreement in the original face amount of approximately \$3,310,000, which interests have been previously allocated to them, and all cash payments related thereto; and (iii) all proceeds of the Tiger Note Settlement including (w) the Tiger Cash, (x) the Tiger Note, (y) the Tiger

³ This cash payment may be reduced by (a) the amount allocated to Excludable Assets under the Agreement to the extent any such assets are excluded from the GECC Sale, and (b) to the extent additional sums are paid to the MCTA Creditors other than as a result of the sale of Excludable Assets, from and after the date of the Motion pursuant to further order of the Court. Until the time of the sale or other disposition of the Excludable Assets and payment as set forth herein, the MCTA Creditors will retain their liens on the Excludable Assets. The proceeds of any sale of the Excludable Assets up to the amount allocated to such Excludable Assets under the Agreement, plus 10 percent interest per annum commencing upon Closing on that portion of the Purchase Price allocated to the Excludable Assets under the terms of the Agreement, up to a maximum amount of interest equal to the difference between the price subsequently received by the Debtors for the Excludable Assets and the amount allocated therefor under the Agreement, will be paid or distributed to the MCTA Creditors at the time such assets are sold. The Debtors shall retain any proceeds of the sale of Excludable Assets to the extent such proceeds exceed the amount of the Purchase Price allocated to such assets under the Agreement plus the amount of interest to be paid under this provision (the "Debtors' Excludable Assets Surplus").

1 Costs, and (z) an assignment of all of NACC's rights and its
2 counsel's rights (if any) under the Tiger Note Settlement
3 Agreement, including NACC's right under Paragraph 5(d) thereof
4 to reimbursement of its costs and expenses, including those of
5 its investment banking firm and its legal fees and costs (the
6 "MCTA Distribution").⁴ TI shall pay to the MCTA Creditors that
7 portion of the Tiger Costs which consists of \$300,000 (plus
8 interest thereon) held in an escrow account by First Chicago as
9 trustee. The assignment of the remainder of the Tiger Costs
10 (over and above the escrow account) shall be without prejudice
11 to the defenses to payment of TI under paragraph 5(d) of the
12 Tiger Note Settlement Agreement. The Debtors and their counsel
13 shall cooperate to the extent reasonable and necessary with the
14 MCTA Creditors in their efforts to recover the remainder of the
15 Tiger Costs from TI. Such assignment and any acts pursuant
16 hereto shall not prejudice the rights of the Debtors' counsel to
17 seek an award of fees and expenses from the Debtors' estates for
18 services rendered in connection with the Tiger Note Settlement.
19 NACC shall endorse the Tiger Note for transfer without recourse.

20 Receipt of the MCTA Creditor's Distribution described
21 in this subparagraph (d) shall be in satisfaction of the MCTA
22 Creditors' claims and liens with respect to the Purchased Assets
23 and the other assets distributed hereunder. Upon Closing or
24 earlier at the election of the MCTA Creditors, the MCTA
25 Creditors' claims against the Debtors in excess of the value of

26
27 ⁴ The Credit Suisse, ETC Holders, GECC and MCTA Distributions
28 shall be collectively referred to as the "Secured Creditors'
Distribution"

1 the MCTA Creditors' Distribution under
2 this subparagraph (d) shall be separate obligations secured by
3 such liens as the MCTA Creditors already have against the
4 Remaining Assets, and the parties are authorized and directed to
5 execute such documents as may be appropriate to reflect the
6 foregoing. The MCTA Creditors shall retain their separate
7 claims and liens to the Remaining Assets notwithstanding receipt
8 of the MCTA Creditors' Distribution or any foreclosure action
9 taken by the MCTA Creditors under Canadian law. The MCTA
10 Creditors shall then, at Closing, release and waive their claims
11 and liens to the Remaining Assets (but not the Excludable Assets
12 until such assets are sold and the proceeds paid as provided
13 herein) in exchange for Debtors' release of all claims against
14 the MCTA Creditors as more fully described below after the
15 Secured Creditors' Distributions are effected..

16 7. The receipt of the Secured Creditors' Distribu-
17 tions and effectuation of the releases of the MCTA Creditors are
18 hereby deemed to be an acknowledgment that each such Secured
19 Creditor has benefited from the efforts of the Debtors and
20 certain of the Debtors' professionals to enhance, preserve, and
21 dispose of the Purchased Assets and the Non-Purchased Assets.
22 Upon receipt of the Secured Creditors' Distributions and
23 effectuation of the releases of the MCTA Creditors provided
24 herein, all rights, claims and interests of the Debtors and
25 their professionals under section 506(c) of the Bankruptcy Code,
26 or other applicable law, to charge and recover from the
27 Purchased Assets and Non-Purchased Assets the reasonable and
28 necessary costs and expenses of preserving, or disposing of,

1 such property including certain professional fees, shall at
2 Closing, transfer to and attach to the Remaining Assets and,
3 with respect to the Excludable Assets, the Debtors' Excludable
4 Assets Surplus. Upon receipt of the Secured Creditors'
5 Distributions and effectuation of the releases of the MCTA
6 Creditors, the Secured Creditors shall be estopped and fore-
7 closed from asserting any objections to the allowance of any
8 application or motion filed by the Debtors on their own behalf
9 or on behalf of certain of the Debtors' counsel which seeks to
10 recover from such Remaining Assets the reasonable and necessary
11 costs and expenses of preserving or disposing of the Purchased
12 and Non-Purchased Assets. Nothing contained in this paragraph 7
13 shall in any way diminish GECC's rights under the GECC Loan.

14 8. Upon receipt of the Secured Creditors' Distribu-
15 tions and effectuation of the releases of the MCTA Creditors,
16 all claims of the Secured Creditors for sums relating to or
17 arising out of the sale, destruction, dismantling, or scrapping
18 of railcars prior to January 1, 1986, shall be assigned and
19 transferred to the Debtors at Closing free of all Claims (as
20 defined hereinbelow).

21 9. The consideration to be received by the Secured
22 Creditors under the terms of this Order, including the Secured
23 Creditors' Distributions and the releases provided for herein,
24 shall be made on a final basis and shall constitute full and
25 final payment, and satisfaction, release, and discharge of all
26 rights, liens, mortgages, pledges, prior assignments, liabil-
27 ities, obligations, encumbrances, charges and claims of any and
28 every kind, nature and description whatsoever ("Claims") of the

1 Secured Creditors. However, no release effected by this Order
2 shall impair any rights of GECC under the Agreement and the Sale
3 Order or the ability of the MCTA Creditors (including Bankers
4 Trust Company ("BT") to assert any rights which may arise under
5 applicable law (including rights of subrogation or marshaling)
6 with respect to Insurance Revenues of Travelers Insurance
7 Company, or the rights, if any, of BT which may arise as
8 assignee of Merck & Co., Inc. ("Merck") against GECC under the
9 tax benefit agreement between NACC and Merck which will be
10 assumed by NACC and assigned to GECC under the Agreement and the
11 Sale Order.

12 10. All payments and distributions to the Secured
13 Creditors to be made hereunder shall be free and clear of any
14 and all Claims including, without limitation, claims arising out
15 of pending litigation, those granted and imposed by prior orders
16 of this Court, and those which arise from the assessment of
17 taxes against the Debtors as a result of or related to the GECC
18 Sale.

19 11. Upon receipt of the Secured Creditors' Distribu-
20 tions and effectuation of the releases of the MCTA Creditors
21 hereunder, the Secured Creditors' rights, titles and interests
22 in the remaining portion of the Surplus Revenue Reserves and all
23 sums which remain undistributed under the Cash Collateral
24 Orders; shall be conveyed, transferred and assigned to the
25 Debtors free and clear from any and all Claims of the Secured
26 Creditors, but subject to the rights, claims, and interests of
27 the Debtors under section 506(c) of the Bankruptcy Code and
28 other applicable law.

1 12. Upon receipt of the Secured Creditors' Distribu-
2 tions and effectuation of the releases of the MCTA Creditors by
3 the Debtors, Credit Suisse, the ETC Holders, the MCTA Creditors
4 and GECC, shall be released from any and all respective Claims
5 each may have against each other and all of their respective
6 affiliates and officers, employees or agents arising out of or
7 in any way related to conduct, claims, or matters relating to
8 the Debtors and their estates.

9 13. Upon receipt of the Secured Creditors' Distribu-
10 tions, and as provided in paragraph 6(d) with respect to the
11 MCTA Creditors, except as set forth in the proviso to
12 paragraph 9 hereof, Credit Suisse, the ETC Holders, the MCTA
13 Creditors and the Debtors, shall be released from any and all
14 Claims which each may have against each other and all of their
15 respective affiliates and officers, employees or agents arising
16 out of or in any way related to conduct, claims, or matters
17 relating to the Debtors and their estates; provided, however,
18 that the MCTA Creditors shall not release any claims, cross-
19 claims or counter-claims which the MCTA Creditors may have
20 against the Debtors arising from or related to the litigation
21 with Hunter-Keith, Incorporated, in the United States District
22 Court for the District of Minnesota, civil cases 4-83-469 and
23 4-84-804, but will solely provide a covenant not to sue Debtors
24 with respect thereto.

25 14. Without the execution and delivery of any further
26 documents, this Order (a) is and shall be effective upon receipt
27 of the Secured Creditors' Distributions and effectuation of the
28 releases of the MCTA Creditors hereunder, as a determination

1 that (i) all Claims existing as to the Purchased Assets, Non-
2 Purchased Assets, and the Remaining Assets (other than the
3 Excludable Assets until sale and payment of the proceeds to the
4 MCTA Creditors as provided above) prior to Closing have been
5 unconditionally released, discharged, and terminated pursuant to
6 and in accordance with decretal paragraphs 6(d) and 9 through 11
7 hereof, and (ii) all releases to be made pursuant to and in
8 accordance with decretal paragraphs 6(d), 12 and 13 hereof have
9 been effected, and (iii) all transfers and conveyances described
10 in decretal paragraphs 6, 7 and 8 hereof have been effected, and
11 (b) is and shall be binding upon and govern the acts of all
12 Entities, including, without limitation, all filing agents,
13 filing officers, title agents, title companies, recorders of
14 mortgages, recorders of deeds, registrars of deeds, adminis-
15 trative agencies, governmental departments, secretaries of
16 state, Federal, state, and local officials, and all other
17 persons and entities who may be required by operation of law,
18 the duties of their office, or contract, to accept, file,
19 register or otherwise record or release any documents or instru-
20 ments, or who may be required to report on or to insure any
21 title or state of title in or to any of the Purchased Assets or
22 Non-Purchased Assets and Remaining Assets.

23 15. The Debtors and the Secured Creditors may rely
24 upon the terms of this Order, without prejudice to any of their
25 rights and Claims, to execute and deliver all documents and
26 instruments, and to do all things and take all actions,
27 necessary or appropriate to effect the transfer of the Canadian
28

1 Assets consistent with the terms of the Sale Order and this
2 Order.

3 16. The Debtors, the Secured Creditors, and GECC
4 hereby are deemed to have preserved their respective rights to
5 determine the allocation of debt and attendant sale considera-
6 tion as ascribed to the Canadian Assets for any and all reasons.
7 Notwithstanding the foregoing, none of the statements, agree-
8 ments, estimates or admissions made in compliance with
9 applicable Canadian law including, but not limited to, the
10 allocation of debt and sale consideration ascribed to the
11 Canadian Assets, shall be binding upon the Debtors, including
12 NAC-Can and Branch, for purposes of the allowance by this Court
13 and payment by the Debtors of Canadian taxes. The allowance
14 and payment of Canadian taxes by the Debtors shall remain
15 expressly subject to the further order of this Court.

16 17. Except as may be expressly agreed to by any
17 Secured Creditor, neither GECC nor any of the Secured Creditors,
18 shall be liable for any transferee tax liability or any other
19 liability that arises or may arise by operation of law or
20 otherwise from the transactions effected or authorized by either
21 the Sale Order or this Order; provided, however, that the
22 foregoing shall not be deemed to relieve any Secured Creditor of
23 liability for taxes of such Secured Creditor measured by or
24 based upon income or revenue of such Secured Creditor. The
25 Debtors are authorized to make any and all arrangements that may
26 be necessary or appropriate to protect GECC and the Secured
27 Creditors from incurring any liability as a result of the GECC
28 Sale.

1 18. The claimed liens of GECC, Credit Suisse, and the
2 ETC Holders against the Purchased Assets and Non-Purchased
3 Assets are hereby declared to be valid, perfected, and
4 enforceable.

5 19. Notwithstanding anything herein to the contrary,
6 NACC shall deposit the sum of \$75,000.00 into a segregated
7 escrow account to be maintained by NACC, which account shall be
8 subject to the claims of Jones, Day, Reavis & Pogue ("Jones
9 Day") for the allowance and payment of compensation in connec-
10 tion with the Tiger Note Settlement Agreement, pursuant to the
11 further application to and order of this Court. The interests
12 of Jones Day in this account shall be of no greater force,
13 effect, validity, status or extent than its former claim to the
14 Tiger Costs. No disbursement shall be made from such account
15 except pursuant to the further order of this Court.

16 20. The Proposed April 7 Amendments are hereby
17 approved. The Debtors and GECC are hereby authorized to execute
18 an amendment to the Agreement, in form and substance satis-
19 factory to each of them and providing for the following:

20 (a) the cash portion of the Purchase Price will
21 be increased by \$1,000,000 to \$242.7 million and the
22 principal amount listed on the sixth line of
23 Schedule C to the Agreement shall be reduced by
24 \$1,000,000 to \$23.2 million;

25 (b) the Purchase Price will be reduced by \$3.5
26 million, rather than the maximum of \$7.0 million
27 permitted under section 3.3(b) of the Agreement for
28 all sold, destroyed, and scrapped cars;

1 (c) the Purchase Price shall be further reduced,
2 effective as of March 31, 1986, by \$19.5 million, in
3 lieu of establishing an escrow estimated by the
4 Debtors to be in the range of \$19.5 to \$28.5 million,
5 as required under section 3.2 of the Agreement;

6 (d) consistent with the foregoing, effective at
7 Closing (i) all railcar revenues and expenses earned
8 and accrued from and after April 1, 1986, shall
9 continue to be for the account of GECC, and (ii) the
10 GERSCO Complaint shall be dismissed with prejudice
11 with each party to pay its own fees and costs; and

12 (e) such other matters as shall be necessary and
13 appropriate provided that they shall not alter in any
14 material respect the transactions heretofore
15 authorized by the Sale Order or authorized herein.

16 21. Any provision of the Sale Order which is incon-
17 sistent with the express provisions of this Order is superseded
18 to the extent necessary to effectuate the transactions contem-
19 plated and the rights afforded by this Order. This Court shall
20 not retain jurisdiction of the Proceeds of Sale or any of the
21 Purchased Assets and Non-Purchased Assets disbursed in
22 accordance with this Order.

23 22. The Debtors, the Secured Creditors, and GECC are
24 hereby authorized to execute and deliver all documents, and do
25 all things and take all actions, as may be necessary or
26 appropriate to effect and consummate (a) the GECC Sale, (b) the
27 Compromise and Settlement approved herein, (c) the Secured
28 Creditors' Distributions approved in decretal paragraph 6

1 hereof, (d) the Proposed April 7 Amendments approved in decretal
2 paragraph 19 hereof, (e) the transfer of Canadian Assets, and
3 (f) the provisions of this Order; provided, however, that such
4 documents and actions are consistent with and do not otherwise
5 materially change the terms of the transaction contemplated by
6 the Agreement or authorized by the Sale Order and this Order.


7 23. The ETC Trustees are hereby authorized and
8 directed to distribute to the ETC Holders in their respective
9 issues the cash and notes allocated to such issues in Exhibit
10 "A" annexed hereto, less any amounts that may be withheld in
11 accordance with the governing ETC Agreements in respect of
12 trustee's fees and expenses. NACC is hereby authorized and
13 directed to pay the reasonable fees and expenses of counsel to
14 the ETC Trustees in the ETC issues designated by an "A" in
15 Exhibit "A" hereto, as allowed pursuant to further application
16 to and order of this Court.

17 24. The Secured Creditors may give notice of fore-
18 closure with respect to the Canadian Assets without being
19 obligated to foreclose thereon, and may effect such foreclosure
20 without thereby releasing or waiving their deficiency claims,
21 which shall only be released and waived upon receipt of the
22 Secured Creditors' Distribution and effectuation of the release
23 of the MCTA Creditors, as provided hereinabove.

24 25. The conditions set forth in clauses (a) and (b)
25 of paragraph 43 of the Sale Order are hereby deemed satisfied
26 and the date by which any of Credit Suisse, the ETC Committee,
27 or the MCTA Creditors may elect to vacate the Sale Order in
28 accordance with paragraph 43 of the Sale Order is extended to

1 May 14, 1986. If the Sale Order is vacated under Paragraph 43
2 thereof as modified herein, this Order as well as the Findings
3 of Fact and Conclusions of Law entered in connection herewith,
4 shall be vacated and be of no force and effect.

5 DATED: Los Angeles, California
6 April 30, 1986

7 
8 The Honorable Barry Russell
United States Bankruptcy Judge

9 Agreed and Consented to by:

10 NACHMAN, MUNITZ & SWEIG, LTD.
11 Attorneys for Debtors and
12 Debtors in Possession

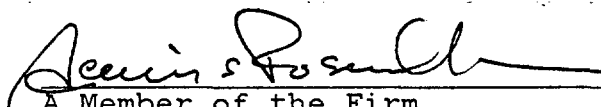
6-25-86
I hereby attest and certify on
that the foregoing document is a full, true and correct
copy of the original on file in my office, and in my
legal custody.



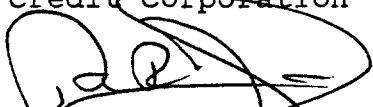
CLERK OF BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

By

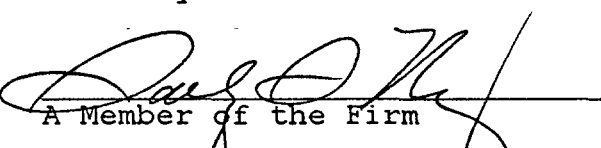
Deputy

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14 A Member of the Firm


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